

## Claim Rejections – 35 USC § 103

Office Action Paragraph / Bullet#	Office Action Comment	Applicant Response
13	<b>With respect to claims 1, 32 and 51:</b> Sandor teaches:	
13, bullet #1	selecting a production practice of the producer; (page 7, paragraph 89 -fossil fuel combustion source discussed )	<p>Not covered by Sandor filing 7/19/02; the only Sandor filing which is prior art to Applicant's 1<sup>st</sup> provisional filing.</p> <p>Appears for 1<sup>st</sup> time in Sandor 1/15/04, paragraph 76.</p>
13, bullet #2	selecting a protocol applicable with the production practice for determining at least one of environmental emissions and environmental emissions removal; (page 2, paragraph 21 – to compute the GHG emissions or emission reduction equivalents, equivalents conform to standard values that facilitate trading between participants)	<p>Not covered by Sandor filing 7/19/02.</p> <p>Partial coverage appears 1<sup>st</sup> time in Sandor 1/15/04, Paragraph 21. Additional teachings in Paragraph 21 of 11/03/05.</p>
13, bullet #3	collecting production practice data of the producer for a pre-selected time period responsive to the protocol; (page 2, paragraph 21 - activity data collected based on energy consumption)	<p>Not covered by Sandor filing 7/19/02.</p> <p>Partial coverage appears 1<sup>st</sup> time in Sandor 1/15/04, Paragraph 21. Additional teachings in Paragraph 21 of 11/03/05.</p>
13, bullet #4	converting the production practice data to environmental data using pre-selected conversion factors; (page 2, paragraph 21 - "a factor for converting the activity data to one of the GHG emission or GHG emission conversion equivalents")	<p>Not covered by Sandor filing 7/19/02.</p> <p>Partial coverage appears 1<sup>st</sup> time in Sandor 1/15/04, Paragraph 21. Additional teachings in Paragraph 21 of 11/03/05.</p>

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Office Action Paragraph / Bullet#	Office Action Comment	Applicant Response
13, bullet #5	designating a geographical reference for the producer; (page 3, paragraph 24 - geographic location is one of the factors used)	<p>Sandor filing 7/19/02 notes in Paragraph 15 "It is still another object of this invention to allow flexibility in methods, location and timing of emissions reductions so that greenhouse gas emissions can be reduced cost effectively;"</p> <p>This does not teach the use of geographical references or coordinates for quantifying or qualifying the creation of emission reductions.</p> <p>Sandor 11/03/05 Paragraph 24 teaches this material.</p> <p>Not applicable.</p>
13, bullet #6	converting the environmental data to an emission reduction unit for a transferring thereof; (page 2, paragraph 21 and page 3, paragraph 28 - "a factor for converting the activity data to one of the GHG emission or GHG emission conversion equivalents"; factor is based on selected activity unit) and While Sandor does not teach, Schomer discloses:	<p>Not covered by Sandor filing 7/19/02.</p> <p>Sandor 1/15/04, paragraph 21 partially discloses; Sandor 11/03/05 Paragraph 21 fully discloses.</p> <p>Not applicable.</p>

Office Action Paragraph / Bullet#	Office Action Comment	Applicant Response
13, bullet #7	<p>While Sandor does not teach, Schomer discloses:</p> <p>assigning an identifier to the emission reduction unit, wherein the identifier includes a sequence portion characterizing a succession thereof and a vintage portion characterizing the pre-selected time period for the production practice, and a characterizing portion characterizing at least one of the geographical reference and the protocol. (col. 5, tables 2 and 3 - various alphanumeric and numeric codes specified)</p> <p>Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the details of the production practice and emission reduction unit of Sandor with the identifier in Schomer because of the need "to provide limited access to the data" (col. 2, lines 45-46).</p>	<p>Not covered by Sandor filing 7/19/02.</p> <p>Not covered by Sandor filing 1/15/04.</p> <p>1<sup>st</sup> covered by Sandor 11/03/05 Paragraph 28.</p> <p>Not applicable.</p> <p>Schomer <i>teaches away</i> from Applicant's effort to transparently convey information via the unique identifier through:</p> <p>Line 45: "limited access to data surrounding the tracking of the chemicals."</p> <p>Moreover, Schomer does not disclose a process for tracking emissions reduction units, but rather is a method for tracking chemicals.</p> <p>It would not be obvious to one of ordinary skill in the art to combine these ideas as noted.</p>
14	<p><b>With respect to claims 2, 36 and 52:</b></p> <p>Sandor teaches the limitations cited above. While Sandor does not disclose, Schomer teaches the characterizing portion of the identifier includes at least one of a first field identifying a protocol type, a second field identifying a version of the protocol, and a third field identifying an authority for the protocol. (col. 3, table 1, col. 5, tables 2-3 - various identifiers listed).</p>	<p>The identifier of the claimed invention is used to convey underlying "production" data making this a functional use of data.</p> <p>Schomer does NOT teach protocol identifiers, but rather, describes individual chemical characteristics.</p> <p>Not applicable.</p>

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15	<p><b>With respect to claims 3 and 37:</b> Sandor teaches the pre-selected time period comprises a calendar year for the production practice by the producer. (page 5, paragraph 72 - baseline emission levels reviewed on a year to year basis among participants)</p> <p>Furthermore, the data identifying the specific time period in the current and following claims is non-functional descriptive data. See non-functional descriptive data discussion above.</p>	<p>Sandor filing 7/19/02, in Paragraph 28, teaches the use of a compliance year used in conjunction with a registry as the basis for emission reductions or holdings.</p> <p>This teaches away from the review of baseline emissions or practices on a year to year basis or even at random time intervals.</p> <p>Sandor filing 1/15/04, Paragraph 59 is the 1<sup>st</sup> mention of randomly chosen schedules.</p> <p>Not applicable.</p>
16	<p><b>With respect to claims 4, 38 and 53:</b> Sandor teaches the geographical reference includes a location representative of the production practice. (page 3, paragraph 24 -geographic location is one of the factors used).</p> <p>Furthermore, the data identifying the geographic reference in the current and following claims is non-functional descriptive data. See non-functional descriptive data discussion above.</p>	<p>Not covered by Sandor filing 7/19/02.</p> <p>Sandor 11/03/05, Paragraph 24 teaches this for the 1<sup>st</sup> time.</p> <p>Not applicable.</p> <p>This is <i>not</i> non-functional data – it allows offsets from a specific region to be distinguished from a different region. This has the facility of demonstrating that an offset is under specific regulatory rules, for instance; or is located in a region with other stipulations or requirements that may be of interest to a purchaser of these offsets.</p>
17	<p><b>With respect to claim 5:</b> Sandor teaches the location is identified by a longitude and latitude. (page 3, paragraph 24 - geographic location is one of the factors used)</p>	<p>As used by Sandor, "geographic location" can be the State of Texas; Applicant's use of precise longitude and latitude enables identification of a specific project site within the State of Texas.</p> <p>Sandor does not teach Applicant's use of this term.</p>

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18	<p><b>With respect to claim 6:</b> Sandor teaches the limitations cited above. While Sandor does not disclose, Schomer teaches the emission reduction unit comprises a plurality of emission reduction units resulting from the environmental data converting, and wherein the sequence portion of the identifier includes a range of sequence numbers representing the plurality of emission reduction units. (col. 3, table 1, col. 5, tables 2-3 - various identifiers listed)</p> <p>Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the details of the production practice and emission reduction unit of Sandor with the identifier in Schorner because of the need "to provide limited access to the data" (col. 2, lines 45-46).</p> <p>Furthermore, the data identifying the details of the identifier in the current and following claims is non-functional descriptive data. See non-functional descriptive data discussion above.</p>	<p>Schomer does <i>NOT</i> teach emission reduction units, but rather identifier field definitions applicable to individual chemicals; EX: quantity of chemicals received from a given location. No production practice or protocol is listed amongst Schomer's field names.</p> <p>What's more, Schomer's teaching is towards embedding this information in such a way that the underlying data cannot be discerned whereas Applicant teaches a transparent approach for conveying/disclosing underlying production information through the identifier.</p> <p>Applicant's data is <i>FUNCTIONAL</i> for the reason cited above.</p>

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19	<p><b>With respect to claims 7, 34 and 54:</b> Sandor teaches the production practice data converting includes the protocol having conversion factors selected from the group including reducing GHG emissions, providing clean water credits, providing clean air credits, providing soil erosion credits, and certifying animal welfare. (page 2, paragraph 21 and page 3, paragraph 28 - "a factor for converting the activity data to one of the GHG emission or GHG emission conversion equivalents"; factor is based on selected activity unit).</p> <p>Furthermore, the data identifying the production practice in the current and following claims is non-functional descriptive data. See non-functional descriptive data discussion above.</p>	<p><u>Paragraph 21 Sandor cited by Examiner:</u></p> <p>Not covered by Sandor filing 7/19/02.</p> <p>Partially covered by Sandor filing 1/15/04, Paragraph 21.</p> <p>Expanded upon in Sandor 11/03/05, Paragraph 21.</p> <p><u>Paragraph 28 Sandor cited by Examiner:</u></p> <p>Not covered by Sandor filing 7/19/02.</p> <p>Not covered by Sandor filing 1/15/04.</p> <p>Disclosed in 11/03/05, Paragraph 28.</p> <p>Applicant enables the disclosing of methodology type/production practice; a critical element in the identification of specific emission reductions. Current buying practices distinguish between HFC and non-HFC produced emission reductions, for instance – enabled via Applicant's identifier.</p>

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20	<p><b>With respect to claims 8, 35 and 55:</b> Sandor teaches the GHG reducing includes a parameter selected from parameters including effluent loading, quantity animals, manure containment storage period, manure containment storage practice, annual animal throughput, flaring volume, flaring efficiencies, gas types and generation rates, and chemical manufacturing efficiencies and emissions. (page 9, paragraphs 105, 107-108 - factors used to generate credits are methods that lead to reduction in CO<sub>2</sub> emissions).</p> <p>Furthermore, the data identifying the type of GHG reducing in the current and following claims is non-functional descriptive data. See non-functional descriptive data discussion above.</p>	<p><u>Paragraph 105 Sandor cited by Examiner:</u></p> <p>Not covered by Sandor filing 7/19/02.</p> <p>Not covered by Sandor filing 1/15/04.</p> <p>1<sup>st</sup> disclosed in Sandor filing 11/03/05</p> <p><u>Paragraph 107 Sandor cited by Examiner:</u></p> <p>Not covered by Sandor filing 7/19/02.</p> <p>1<sup>st</sup> partially disclosed by Sandor filing 1/15/04, paragraph 87.</p> <p><u>Paragraph 108 Sandor cited by Examiner:</u></p> <p>Not covered by Sandor filing 7/19/02.</p> <p>1<sup>st</sup> disclosed in Sandor filing 1/15/04, Paragraph 88.</p> <p>This data is FUNCTIONAL data as noted in 19, above; this enables the purchasers of emission reduction units to distinguish – from the identifier – the exact sourcing type of remission reductions; a critical feature.</p>
21	<p><b>With respect to claim 9:</b> Sandor teaches transmitting the production practice data to a data center; and receiving the production practice data at the data center; (page 4 paragraphs 52-54 - registry stores emission reduction practices and results).</p>	<p>Not covered by Sandor filing 7/19/02.</p> <p>Disclosed by Sandor filing 1/15/04, Paragraphs 39-41.</p> <p>Not applicable.</p>

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22	<b>With respect to claims 10, 39 and 56:</b> Sandor teaches storing the identifier in a database; storing the production practice data in the database; and correlating the production practice data with the identifier for access thereto. (page 4 paragraphs 52-54 - registry stores emission reduction practices and results; registry has secure internet access).	Not covered by Sandor filing 7/19/02.  Disclosed by Sandor filing 1/15/04, Paragraphs 39-41.  Not applicable.
23	<b>With respect to claims 11 and 57:</b> Sandor teaches providing a password for accessing the database; accessing the database using the password; providing the identifier of the emission reduction unit; and receiving a status regarding the emission reduction unit. (page 4 paragraphs 52-54 - registry stores emission reduction practices and results; registry has secure internet access).	Not covered by Sandor filing 7/19/02.  Disclosed by Sandor filing 1/15/04, Paragraphs 39-41.  Not applicable.



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24	<p><b>With respect to claims 12, 40 and 61:</b> Sandor teaches at least one of selling, transferring, exchanging, and retiring the emission reduction unit. (page 4, paragraph 56; page 9, paragraph <b>111</b> - at year-end emission source must transfer allowances or offsets equal to total emissions).</p>	<p>Sandor filing 7/19/02, paragraphs 28-29 teach how a registry works; for instance, an emitter retiring a quantity of emission reductions <i>exactly</i> equal to a compliance obligation. Further, it teaches an intra-registry transfer, whereas Applicant (1) teaches selling, transferring, exchanging and retiring a random number of emission reductions that may or may not be equal to a given compliance obligation, (2) does not teach internal registry operation, but rather teaches how to work with one or more chosen registries or no registries at all.</p> <p>Lastly, Sandor teaches the use of unique, individualized serial numbers (art that is already known) without teaching the creation of a specific or useful identifier and further teaches the pairing of this serial number to a given emission reduction; whereas, Applicant teaches the creation of identifiers that include all necessary elements to identify type, location, protocol, etc used to create the emission reduction which is specific only to emission reductions created at a given site (and are not applicable to any other site) and (2) includes a sequencing portion that can be associated with individual emission reductions from each site - so that individual emission reductions can truly be uniquely identified, transferred or handled with or without the use of a Registry. This approach avoids the simple serial number problems which continue to be evident in the market today (particularly between different Registries).</p>

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25	<b>With respect to claim 13:</b> Sandor teaches warranting the production practice data by the producer. (page 5, paragraphs 69-70 - rules designate activities and monitor emissions).	Not covered by Sandor filing 7/19/02.  Disclosed by Sandor filing 1/15/04, in Paragraphs 56-57 with further disclosure in Sandor filing 11/03/05, Figures 15-17.  Not applicable.
26	<b>With respect to claim 14:</b> Sandor teaches registering the emission reduction unit. (page 4 paragraphs 52-54 - registry stores emission reduction practices and results).	Not covered by Sandor filing 7/19/02.  Disclosed by Sandor filing 1/15/04, Paragraphs 39-41.  Not applicable.
27	<b>With respect to claims 15, 41 and 60:</b> Sandor teaches at least one of verifying a commercial suitability of the environmental emission unit, recording the registering, designating ownership of the environmental emission unit, and monitoring a transaction thereof. (Page 4 paragraphs 52-54 - registry stores emission reduction practices and results).	Not covered by Sandor filing 7/19/02.  Disclosed by Sandor filing 1/15/04, Paragraphs 39-41.  Not applicable.
28	<b>With respect to claim 16:</b> Sandor teaches the limitations cited above. However, while Sandor does not Schomer teaches the identifier is a serial number. (col. 3, table 1, col. 5, tables 2-3 - various identifiers listed). Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the details of the production practice and emission reduction unit of Sandor with the identifier in Schomer because of the need "to provide limited access to the data" (col. 2, lines 45-46).	Schomer teaches about individual properties of chemicals rather than the underlying data used to create an individual emission reduction. Further, Schomer teaches <i>away</i> from transparent disclosure, but instead teaches how to obscure the underlying characteristics of a given chemical.

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29	<b>With respect to claim 17:</b> Sandor teaches the converting to the emission reduction unit includes at least one of using the emission reduction unit for an environmental offset, a credit, and allowance. (page 2, paragraph 21 and page 3, paragraph 28 - "a factor for converting the activity data to one of the GHG emission or GHG emission conversion equivalents"; factor is based on selected activity unit).	<p><u>Paragraph 21 Sandor cited by Examiner:</u></p> <p>Not covered by Sandor filing 7/19/02.</p> <p>Partially disclosed by Sandor filing 1/15/04, Paragraph 21.</p> <p><u>Paragraph 28 Sandor cited by Examiner:</u></p> <p>Not covered by Sandor filing 1/19/02.</p> <p>Not covered by Sandor filing 1/15/04.</p> <p>Disclosed by Sandor filing 11/03/05.</p> <p>Not applicable.</p>
30	<b>With respect to claim 18:</b> Sandor teaches the converting to an emission reduction unit includes choosing a registry jurisdiction. (page 5, paragraph 62 - details the information that can be included in the registry such as system products and emission reduction commitments).	<p>Not covered by Sandor filing 7/19/02.</p> <p>Partially disclosed by Sandor filing 1/15/04, Paragraph 49.</p> <p>Not applicable.</p>
31	<b>With respect to claims 19, 42 and 61:</b> Sandor teaches assigning a registry designator to the emission reduction unit and correlating the registry designator to the registry jurisdiction. (page 5, paragraph 62 - details the information that can be included in the registry such as system products and emission reduction commitments).	<p>Not covered by Sandor filing 7/19/02.</p> <p>Partially disclosed by Sandor filing 1/15/04, Paragraph 49.</p> <p>Not applicable.</p>

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32	<p><b>With respect to claims 20, 43 and 62:</b> Sandor teaches the limitations cited above. However, while Sandor does not Schomer teaches storing the registry designator, identifier, and production practice data; correlating the registry designator with the identifier and the identifier with the production practice data for access thereto. (col. 3, table 1, col. 5, tables 2-3 – various identifiers listed).</p> <p>Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the details of the production practice and emission reduction unit of Sandor with the identifier in Schomer because of the need "to provide limited access to the data" (col. 2, lines 45-46).</p>	<p>Schomer teaches about individual properties of chemicals rather than "storing the registry designator, identifier and production practice data."</p> <p>Further, Schomer teaches <i>away</i> from transparent disclosure, but instead teaches how to obscure the underlying characteristics of a given chemical.</p>
33	<p><b>With respect to claims 21 and 63:</b> Sandor teaches providing a password for retrieving the registry designator; and receiving a status regarding at least one of the emission reduction unit and the production practice data. (page 4, paragraph 54 - secure Internet access by participants).</p>	<p>Sandor filing 7/19/02 teaches secure internet access to each client's Registry account.</p> <p>Applicant teaches secure access to general purpose data center, which identifies (as correlated information) a registry designator which, itself, is associated with each emission reduction and its other associated production data. Applicant enables the use of any registry, associating this information with each emission reduction, rather than requiring the use of Sandor's Registry.</p> <p>Not applicable.</p>

Office Action Paragraph / Bullet#	Office Action Comment	Applicant Response
34	<p><b>With respect to claims 22 and 44:</b> Sandor teaches transferring the emission reduction unit and providing transaction verification therewith, wherein the transaction verification includes the identifier of the emission reduction unit. (page 4, paragraph 56; page 9, paragraph 111 - at year-end emission source must transfer allowances or offsets equal to total emissions).</p>	<p><u>Paragraph 56 Sandor cited by Examiner:</u></p> <p>Sandor filing 7/19/02 teaches how a registry works; for instance, an emitter retiring a quantity of emission reductions <i>exactly</i> equal to a compliance obligation. Further, it teaches an intra-registry transfer, whereas Applicant (1) teaches selling, transferring, exchanging and retiring a random number of emission reductions that may or may not be equal to a given compliance obligation, (2) does not teach internal registry operation, but rather teaches how to work with one or more chosen registries or no registries at all.</p> <p><u>Paragraph 111 Sandor cited by Examiner:</u></p> <p>Not covered by Sandor filing 7/19/02.</p> <p>This material was 1<sup>st</sup> disclosed in 1/15/04, Paragraph 91 and Figure 9.</p> <p>Not applicable.</p>

Office Action Paragraph / Bullet#	Office Action Comment	Applicant Response
35	<p><b>With respect to claims 23, 45 and 65:</b> Sandor teaches the transaction verification includes a certificate having the identifier carried thereon. (page 4, paragraph 56; page 9, paragraph 111 - at year-end emission source must transfer allowances or offsets equal to total emissions; verification reports issued).</p>	<p><u>Paragraph 56 Sandor cited by Examiner:</u></p> <p>Sandor filing 7/19/02 teaches how a registry works; for instance, an emitter retiring a quantity of emission reductions <i>exactly</i> equal to a compliance obligation. Further, it teaches an intra-registry transfer, whereas Applicant (1) teaches selling, transferring, exchanging and retiring a random number of emission reductions that may or may not be equal to a given compliance obligation, (2) does not teach internal registry operation, but rather teaches how to work with one or more chosen registries or no registries at all.</p> <p><u>Paragraph 111 Sandor cited by Examiner:</u></p> <p>Not covered by Sandor filing 7/19/02.</p> <p>This material was 1<sup>st</sup> disclosed in 1/15/04, Paragraph 91 and Figure 9.</p> <p>Not applicable.</p>

Office Action Paragraph / Bullet#	Office Action Comment	Applicant Response
36	<p><b>With respect to claims 24 and 46:</b> Sandor teaches the identifier provides information regarding the protocol, the pre-selected time period, the geographical reference, and a sequence for the emission reduction unit corresponding to the emission reduction unit transferring. (page 3, paragraph 24 - geographic location is one of the factors used; page 4, paragraph 56; page 9, paragraph 111 - at year-end emission source must transfer allowances or offsets equal to total emissions).</p>	<p><u>Paragraph 24 Sandor cited by Examiner:</u></p> <p>Sandor filing 7/19/02 notes in Paragraph 15 "It is still another object of this invention to allow flexibility in methods, location and timing of emissions reductions so that greenhouse gas emissions can be reduced cost effectively;"</p> <p>This does not teach the use of geographical references or coordinates for quantifying or qualifying the creation of emission reductions.</p> <p>Sandor 11/03/05 Paragraph 24 teaches this material.</p> <p><u>Paragraph 111 Sandor cited by Examiner:</u></p> <p>Not covered by Sandor filing 7/19/02.</p> <p>This material was 1<sup>st</sup> disclosed in 1/15/04, Paragraph 91 and Figure 9.</p> <p>Not applicable.</p>

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37	<p><b>With respect to claim 25:</b> Sandor teaches establishing a pool of emission reduction units and accessing the pool during a point of sale event for reducing at least a portion of the environmental emissions resulting from the point of sale event. (page 4, paragraphs 59 - 60 - emission allowances sold at auction).</p>	<p>Sandor filing 7/19/02 teaches in Paragraphs 69 – 75 <i>issuing</i> an initial pool of allowances for USA-located members who are in an “electricity opt-in program” at a rate of 0.61 metric tons CO<sub>2</sub> for each megawatt-hour by which actual power purchased is below the reduction schedule (committed by the Market Member). Further, this pool is only allocated to members to a limit of 0.1% of the program wide baseline emissions, to assist members to exactly meet their compliance obligations to this registry. Further, this program is specific to the time period 2003-2006.</p> <p>Further expansion of this concept is undertaken in Sandor filing 1/15/04 in Paragraphs 46-47.</p> <p>Applicant teaches creating a general purpose pool of emission reductions created from one or many sources/suppliers, through one or many methodologies or protocols, in one or many locations, etc, and further teaches accessing and allocating a portion of this pool to satisfy a point of sale event – which may or may not be associated with a compliance obligation or specific registry.</p>
38	<p><b>With respect to claim 26:</b> Sandor teaches transferring the emission reduction unit for offsetting at least a portion of an environmental emission. (page 4, paragraph 56 - at year-end emission source must transfer allowances or offsets equal to total emissions).</p>	<p>Sandor filing 7/19/02, paragraphs 28-29 teach how a registry works; for instance, an emitter retiring a quantity of emission reductions <i>exactly</i> equal to a compliance obligation. Further, it teaches an intra-registry transfer, whereas Applicant (1) teaches selling, transferring, exchanging and retiring a random number of emission reductions that may or may not be equal to a given compliance obligation, (2) does not teach internal registry operation, but rather teaches how to work with one or more chosen registries or no registries at all.</p>



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39	<b>With respect to claims 27 and 47:</b> Sandor teaches the environmental emission results from at least one of an emitter, a plurality of emitters, and a variety of emitters, and wherein the emitter is at least one of a direct emitter and an indirect emitter. (page 7, paragraph 84 - multi sector emissions monitoring).	Not covered by Sandor filing 7/19/02.  This material was 1 <sup>st</sup> disclosed in Sandor filing 1/15/04, Figure 7.
40	<b>With respect to claim 28:</b> Sandor teaches allocating emission reduction units resulting from a plurality of producers controlled by a controlling entity for offsetting environmental emissions of the controlling entity. (page 9, paragraphs 105-107 - offset project categories include carbon sequestration).	Sandor filing 7/19/02 teaches the eligibility of certain emission reduction project types for inclusion in their registry and trading platform, without specifying anything about the creation of such emission reductions.  By contrast, Applicant teaches, in Claim 1, an exact method by which emission reductions are qualified and quantified for use in any registry and/or trading platform; something Sandor does not do in the 7/19/02 filing. Applicant claim 28 further develops Claim 1 by allocating emission reduction units from a plurality of producers (by a controlling entity) for offsetting the emissions of this controlling entity.  Sandor does not expand upon his teaching until Paragraph 87 of filing 1/15/04 and further expands in paragraphs 105-106 of 11/03/05.
41	<b>With respect to claim 29:</b> Sandor teaches environmental emissions removal is selected from a practice group consisting of sequestration, mitigation, and avoidance. (page 9, paragraphs 107-108 - offset project categories include carbon sequestration; mitigation quantities also assessed for individual projects).	As noted in response to office action 40, above, Sandor filing 7/19/02 teaches the eligibility of certain emission reduction project types for inclusion in their registry and trading platform, without specifying anything about the creation of such emission reductions.  By contrast, applicant teaches that any project type, including those noted in Claim 29, can utilize the emission reduction creation approach outlined in

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		Claim 1.
42	<b>With respect to claims 30, 49 and 66:</b> Sandor teaches recording a time for the reduction practice data collecting and a geographic location thereof. (page 3, paragraph 24 - geographic location is one of the factors used).	Not covered by Sandor filing 7/19/02.  Not covered by Sandor filing 1/15/04.  1 <sup>st</sup> disclosed in Sandor filing 11/03/05, Paragraph 24.  Not applicable.
43	<b>With respect to claims 31, 50 and 67:</b> Sandor teaches comprising reserving an emission reduction unit having at least one of a pre-selected geographic reference, protocol, and time period. (page 3, paragraph 24 - geographic location is one of the factors used).	Not covered by Sandor filing 7/19/02.  Not covered by Sandor filing 1/15/04.  1 <sup>st</sup> disclosed in Sandor filing 11/03/05, Paragraph 24.  Not applicable.

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44	<p><b>With respect to claim 33:</b> Sandor teaches selecting a protocol applicable with the production practice for quantifying the at least one of the environmental emissions and the environmental emissions removal. (page 2, paragraph 21 and page 3, paragraph 28 - "a factor for converting the activity data to one of the GHG emission or GHG emission conversion equivalents"; factor is based on selected activity unit).</p>	<p><u>Paragraph 21 Sandor cited by Examiner:</u></p> <p>Not covered by Sandor filing 7/19/02.</p> <p>Partial coverage appears 1<sup>st</sup> time in Sandor 1/15/04, Paragraph 21. Additional teachings in Paragraph 21 of 11/03/05.</p> <p><u>Paragraph 28 Sandor cited by Examiner:</u></p> <p>Not covered by Sandor filing 7/19/02.</p> <p>Not covered by Sandor filing 1/15/04.</p> <p>1<sup>st</sup> disclosed by Sandor filing 11/03/05, Paragraph 28.</p> <p>Not applicable.</p>
45	<p><b>With respect to claim 48:</b> Sandor teaches allocating at least a portion of the plurality of emission reduction to a producer of environmental emissions for an offsetting thereof. (page 4, paragraph 56 - at year-end emission source must transfer allowances or offsets equal to total emissions).</p>	<p>Sandor filing 7/19/02, paragraphs 28-29 teach how a registry works; for instance, an emitter retiring a quantity of emission reductions <i>exactly</i> equal to a compliance obligation. Further, it teaches an intra-registry transfer, whereas Applicant (1) teaches selling, transferring, exchanging and retiring a random number of emission reductions that may or may not be equal to a given compliance obligation, (2) does not teach internal registry operation, but rather teaches how to work with one or more chosen registries or no registries at all.</p> <p>Further amplified in Sandor filing 1/15/04 Paragraph 43.</p>

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46	<b>With respect to claim 58:</b> Sandor teaches registering at least a portion of the plurality of emission reduction units within a registry jurisdiction for providing a plurality of registered units. (page 5, paragraph 62 - details the information that can be included in the registry such as system products and emission reduction commitments).	Not covered by Sandor filing 7/19/02.  1 <sup>st</sup> disclosed in Sandor filing 1/15/04, Fig 3 and Paragraph 49.
47	<b>With respect to claim 64:</b> Sandor teaches providing a transaction verification for each of the plurality of registered units transferred out of the registry. (page 9, paragraph 111 - registry accounts have verification reports).	Not covered by Sandor filing 7/19/02.  1 <sup>st</sup> disclosed in Sandor filing 1/15/04, Fig 9 and Paragraph 91.
48	Examiner also considered the US patent Soestbergen et al. (2002/0143693 A1) which reads on the limitations documented in independent claims 1, 32 and 51.	In contrast to the claimed invention, Soestbergen discloses a system and method for the banking and trading of emission reduction credits, registering them as is typically known in the art.